

TENNESSEE REGULATORY AUTHORITY

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2003 APR 15 AM 9:42

460 James Robertson Parkway
Nashville, Tennessee 37243-0505
T.R.A. DOCKET ROOM

April 15, 2003

Joe A. Conner, Esq.
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VIA FACSIMILE AND
FIRST CLASS MAIL

Ms. Pat Childers, V-P Regulatory Affairs
Atmos Energy Company
810 Crescent Centre Dr.
Suite 600
Franklin, Tennessee 37067-6226

Dear Mr. Conner,

The staff requires additional information to assist our review of the "Soft Close Program" petition, Docket No. 03-00241. Because the tariff is scheduled to become effective on May 27, 2003 it is requested that you provide answers to the questions itemized in the attached data request titled "Data Request #1" by April 23, 2003.

Thank you for your prompt attention to these questions. If you have any questions please do not hesitate to call either of us at 741-2904.

Sincerely,

Mike Gaines
Chief – Energy and Water Division

Glynn Blanton
Chief – Gas Pipeline Safety Division

Attachment

ATMOS ENERGY COMPANY

Docket No. 03-00241

Data Request #1

1. What was the Company's practice with regard to customers who requested discontinuance of service prior to the Company's implementation of the "soft close" program? When did the Company first implement the "soft close" program? Has the "soft close" program operated continuously since it was first implemented? If not, when was the program not in effect? Please describe all factors, data, and other information relied upon by the Company for its decision to initiate its "soft close" program.
2. Provide the number of Tennessee customers impacted by the "soft close" program, by year, for each of the following years: from 1998 through and including 2002.
3. Provide the volume of gas used by "soft close" Tennessee customers, by year, for each of the following years: from 1998 through and including 2002.
4. For each year identified in Items 2 and 3, describe how much money the Company saved, by year, for each of the following years: from 1998 through and including 2002.
5. In the proposed tariff filing, will a new customer moving into a home or apartment that is being served by the "soft close" program or that otherwise begins residence in premise where gas service has not been physically disconnected be charged a service start-up or transfer of service fee?
6. How will the company know when 500 CCF's or 5 Mcf's of gas has been used by the "soft close" customer? This should be answered assuming approval and disapproval of the Company's tariff filing in Docket No. 03-00189 concerning routine estimation of customer bills. Will "soft close" service meters continue to be read monthly? If not, how often will service meters be read? Regardless of interval, will such readings monitor usage and evidence of leakage?
7. In the proposed tariff filing, the Company states that service will be "hard closed" after the consumption of 5 Mcf's of natural gas has occurred or 45 days has elapsed. Provide a detailed basis for utilizing the 5 Mcf level of consumption usage and/or the 45 day time period as triggering events initiating a "hard close." Please include all factors, considerations, data or other information relied upon by the Company in developing these two triggering events.
8. In the proposed tariff the Company states, "When a customer desires to terminate gas service, such customer shall notify the Company not less than three (3) days in advance, or such period in advance as is specified in the customer's contract, ..." What is the basis for this requirement? Under what circumstances would a customer's contract specify a time period other than three days?
9. How does the Company propose to recover the cost of gas used by "soft close" customers?

10. Does the Company anticipate, on a going forward basis, operating expense savings or efficiencies from instituting "soft close" procedures? If so, how much? Please include detailed calculations and reasons for the amounts.
11. For amounts identified in Question 10, will the Company share those savings with customers, and/or shareholders? If so, please provide a detailed breakdown of the distribution of savings between the Company, customers, and shareholders. If not, why not? If net savings result from the "soft close" program, explain how the savings will be allocated. If net costs will result, explain how these costs will be recovered.
12. What benefits (both in terms of service and cost savings) do the customers receive from the "soft close" program?
13. Will customers have a choice as to whether the gas is placed in a "soft close" or hard close status when they terminate service and vacate a property? If customers will have a choice, how will they be made aware of their ability to make the choice?
14. Subsequent to a subscriber vacating a premise will precautions be taken to ensure that "soft close" sites are designated so that persons entering affected premises are alerted that the gas remains on? If so, please describe all such precautions.
15. What requirements will the Company place on customers vacating a premise under the "soft close" program regarding the disconnection of gas appliances or otherwise limiting the use of gas at the premise while it remains vacant. Will the Company take steps to verify that these customers have complied with these requirements? If so, please describe them.
16. If a new owner or tenant moves into a residence that is under the "soft close" program and the new owner or tenant fails to provide the Company with their customer information, how will the Company discover that the residence is now occupied and begin billing the customer?
17. The Company's tariff sheet number 60, Discontinuance at Customer's Request states, "Field personnel will obtain a final meter reading as of the termination date." What type of training has or will be provided to these individuals on reading the meter and do they have the qualifications to turn off gas service to the location if gas leakage has been detected?
18. Has the Company been the subject of insurance claims, lawsuits, or other demands for compensation from customers, property owners, or other persons involving natural gas accidents that occurred past the meter set on a customer's premise? Examples of accidents involving less than fifty thousand dollars' damage may include house or apartment fires or personal injuries resulting from flash burns in the removal or placing of appliances or other property damage.
19. Does §192.727(d) of The Minimum Federal Safety Standards apply to the "soft close" program? If so, what method(s) is/are the Company using to meet the requirements of §192.727(d)? If it is the Company's position that § 192.727(d) does not apply to the "soft close program", please explain that position.
20. Explain in detail all steps or procedures performed by the Company service personnel when they inspect a customer's premise and find the meter in a "hard close" status. Explain in detail all steps or procedures performed by the Company when they inspect a customer's premise and find the meter in a "soft close" status.
21. The petition describes "soft close" as a "temporary closing of an account and the cessation of billing without physically disconnecting service to the premise in order to facilitate initiating

service to the next residential customer at that location." What does "physically disconnecting service" mean in the context of this description? Under what circumstances would a service be "physically disconnected" beyond simply closing and locking the valve at the riser?

22. What information is documented pertaining to an account that is in "soft close" status? Does this documentation also include information regarding a change in status to "hard close"?

24. On average, how much time expires between the date a bill becomes due and the date gas service is disconnected? Please provide the following information, by month, from October 2002 through March, 2003 for Tennessee subscribers:

(a) Number of subscribers disconnected for failure to pay a bill.

(b) For each disconnected subscriber, the date the bill was due and the date of the disconnection.

(c) For each disconnected subscriber, the method of disconnection, e.g., hard or soft close.